

CHEMICALBANK

55 Water Street, New York, NY 10041
Tel: (212) 952-2518

RECEIVED
JAN 3 3 25 PM '79
FREE OPERATING
T.O.O.
Jeffrey B. Reilman
Vice President and
Associate Counsel

9005
RECORDATION NO. 9005 Filed 1425

JAN 3 1979 3 25 PM

INTERSTATE COMMERCE COMMISSION
January 2, 1979

Office of the Secretary
Interstate Commerce Commission
Washington, D. C. 20423

9005-17
RECORDATION NO. 9005-17 Filed 1425

JAN 3 1979 3 25 PM

INTERSTATE COMMERCE COMMISSION

Dear Sirs:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclose herewith for filing and recordation three copies of each of the following documents:

(1) Security Agreement dated December 28, 1978, between ChemLease, Inc. and Morris E. Jorgenson and Jenoise M. Jorgenson; and

(2) Assignment dated January 2, 1979, between ChemLease, Inc. and ChemLease Worldwide, Inc.

The names and addresses of the parties to the aforementioned documents are as follows:

(1) Security Agreement:

(a) Secured Party:

ChemLease, Inc.
55 Water Street
New York, N. Y. 10041; and

(b) Debtor:

Morris E. Jorgenson and Jenoise M. Jorgenson
40 Acacia Drive
Orinda, California 94563

(2) Assignment:

(a) Assignor:

ChemLease, Inc.
55 Water Street
New York, N. Y. 10041; and

Alisa Levitt
ChemLease, Inc.

(b) Assignee:

ChemLease Worldwide, Inc.
55 Water Street
New York, N. Y. 10041

Pursuant to the Security Agreement, the Debtor has granted to the Secured Party a security interest in the following units of equipment and in certain other collateral described in the Security Agreement:

Five (5) 100-ton, 4,750-cubic foot capacity, truck gravity discharge covered hopper cars, bearing Road Numbers PLMX 10819, PLMX 10823; PLMX 10824; PLMX 10825 and PLMX 10897.

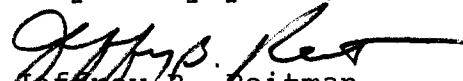
Pursuant to the Assignment, the Assignor has assigned to the Assignee the Assignor's right, title and interest in, to and under the Security Agreement, including its security interest in the above described units of railroad equipment.

Please file and record the Security Agreement and the Assignment, assigning the Assignment the same recordation number as the Security Agreement, cross-indexing said documents one to the other and indexing said documents under the names of the Secured Party, the Assignee, the Debtor and certain lessees of the above described units of railroad equipment.

The enclosed documents are being presented for recordation concurrently with the presentation for recordation of certain other documents to which the Secured Party and the Assignee are also parties, and a check is being presented for the aggregate fee for recording all such documents pursuant to 49 CFR 1116.1.

Please stamp all three copies of each of the two enclosed documents and the attached copy of this transmittal letter with your official recording stamp. You will wish to retain two copies of each of the two documents and the original of this transmittal letter for your files. It is requested that the one remaining copy of each of the two documents and of this transmittal letter be delivered to the bearer of this letter.

Very truly yours,


Jeffrey B. Reitman,
Vice President

JBR:dd
encs.

Interstate Commerce Commission
Washington, D.C. 20423

1/3/79

OFFICE OF THE SECRETARY

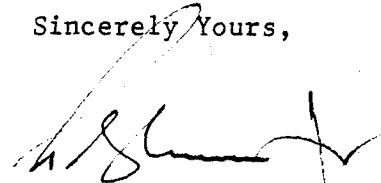
Jeffery B. Reitman
Chemical Bank
55 Water Street
New York, N.Y. 10041

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 1/3/79 at 3:25pm, and assigned recordation number(s) 9995 & 9995-A

Sincerely Yours,



H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

JAN 3 1979 - 3 25 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated December 28th,

1978 (hereinafter called this Agreement),
 between the party executing this Agreement
 as Debtor (hereinafter called the Debtor)
 and CHEMLEASE, INC., a Delaware corporation
 (hereinafter called the Secured Party).

The Debtor has requested that the Secured Party
 make a loan to the Debtor (hereinafter called the Loan),
 evidenced by a promissory note issued or to be issued by the
 Debtor (hereinafter called the Note) payable to the order of
 the Secured Party. The proceeds of the Loan will be used by
 the Debtor to pay a portion of the purchase price of the
 units of railroad equipment described in Schedule A attached
 hereto, which will be leased to Burlington Northern, Inc.,
 Tidewater Grain Company, Louis Dreyfus Corporation and
 Lincoln Grain, Inc., and, subject to the terms of this Agree-
 ment, may be leased to certain other companies pursuant
 to a Lease or Leases of Equipment, in the form described in
 the Private Placement Memorandum (as hereinafter defined),
 between the Lessee (as hereinafter defined) and PLM Railcar
 Management, Inc. (hereinafter called the Agent), as agent
 for the Debtor under a Management Agreement (hereinafter
 called the Management Agreement), in the form attached as
 Exhibit C to the Private Placement Memorandum. The term
 "Private Placement Memorandum" means the Private Placement

Memorandum dated October 11, 1978, of the Agent and PLM, Inc., pursuant to which prospective investors were offered the opportunity to participate in the Agent's Covered Hopper Car Management Program, 1978-2.

In order to induce the Secured Party to make the Loan, the Debtor has agreed to secure to the extent hereinafter set forth (a) the payment in full of principal of and interest on the Note when and as the same shall become due and payable whether at the stated date for the payment thereof, by acceleration, by notice of prepayment or otherwise and (b) the due and punctual payment of all other monetary obligations of the Debtor to the Secured Party pursuant to the Note and this Agreement (such principal, interest and obligations being hereinafter called the Obligations).

Accordingly, the Debtor and the Secured Party hereby agree as follows:

ARTICLE ONE

Grant of Security

SECTION 1.01. Grant of Security. The Debtor does hereby transfer, assign, grant, bargain, sell, convey, hypothecate, and pledge to the Secured Party, its successors and assigns, a security interest in all right, title and interest of the Debtor which presently exists or which may hereafter arise, in, to and under the following (all of the properties in which the Secured Party is hereby granted a

security interest being hereinafter called collectively the Collateral):

(a) the units of railroad equipment described in Schedule A attached hereto, together with (i) any and all accessories, equipment, parts and improvements now or at any time hereinafter attached or appertaining to such units, except such thereof as remain the property of the Lessee under the Lease, and (ii) any and all substitutions, renewals and replacements for, and any additions, accessions and accumulations to, any and all of such units (such units of railroad equipment, together with such accessories, equipment, parts, improvements, substitutions, replacements, additions, accessions and accumulations being hereinafter called collectively the Units and severally a Unit);

(b) the Leases of Equipment described in Schedule B attached hereto and any other Lease pursuant to which any Unit shall at any time be leased, together with any and all schedules and exhibits thereto (all such Leases, together with such schedules and exhibits, being hereinafter called collectively the Lease; and all lessees thereunder including, without limitation, the lessees set forth in Schedule B attached hereto, being herein called collectively the Lessee), including

without limitation the right to receive and collect all rental, casualty value payments, insurance proceeds, condemnation awards and other payments now or hereafter payable to the Debtor pursuant to the Lease; and

(c) to the extent not included in the next preceding clause, all rental, issues, income and profit from the Units.

SECTION 1.02. Limitations of Security Interest.

The security interest granted by the Debtor in and to the Collateral is subject to (a) the Lessee's rights of possession, use and enjoyment set out in the Lease and (b) the Agent's right to compensation set out in Paragraph 6 of the Management Agreement.

SECTION 1.03. Duration of Security Interest. The security interest granted by the Debtor in and to the Collateral shall remain in effect at all times until the Debtor shall pay or cause to be paid all Obligations and shall observe and perform all the terms, conditions and agreements contained in this Agreement and the Note.

ARTICLE TWO

Representations, Warranties and Covenants

SECTION 2.01. Representations and Warranties.

The Debtor represents and warrants to the Secured

Party that (a) the Debtor is the record and beneficial owner of all right, title and interest in the Collateral free and clear of all liens, charges and encumbrances, except for the rights of the Lessee under the Lease and of the Agent under the Management Agreement, (b) the Debtor has full right and power to grant a security interest in the Collateral to the Secured Party free of any contractual provision binding on the Debtor or his assets and (c) without limiting the foregoing, there is no financing statement or other filed or recorded instrument in which the Debtor is named and which the Debtor has signed or permitted to be filed or recorded covering any of the Collateral (except the financing statements or other instruments filed or to be filed in respect of the security interest provided herein).

SECTION 2.02. Covenants. The Debtor unconditionally covenants and agrees with the Secured Party as follows:

(a) the Debtor will promptly cause this Security Agreement and each supplement or amendment hereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Debtor will do, execute, acknowledge, deliver, file, register and record all and every further acts, deeds, conveyances, transfers and

assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Secured Party all of the Collateral or property intended so to be, whether now owned or hereafter acquired;

(b) the Debtor shall not encumber or grant a security interest in or file a financing statement covering the Collateral, or permit any of the foregoing, without the prior written consent of the Secured Party, except as required hereunder;

(c) the Debtor will, at no expense to the Secured Party, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest in the Collateral herein provided for; without limiting the foregoing, the Debtor covenants and agrees that it will, pursuant to Paragraph 7(a) of the Management Agreement, direct the Agent to make all payments of rental and other sums payable to the Debtor under the Lease and the Management Agreement directly to the Secured Party or as the Secured Party may otherwise direct;

(d) the Debtor will not sell, mortgage, transfer or assign (other than to the Secured Party hereunder) its interest in the Units or in any part thereof or in

any amount to be received by it from the use or disposition of the Units;

(e) subject to the rights of the Lessee under the Lease, the Debtor will cause the Units and each and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition, and will from time to time make or cause to be made all necessary and proper repairs, renewals, and replacements so that the value and efficiency of such property shall not be impaired;

(f) the Debtor will not, and will not permit or cause the Agent to, declare or exercise any of the remedies of the lessor under, or accept a surrender of, or offer or agree to any assignment, termination, modification or surrender of, the Lease (except as otherwise expressly provided in the Management Agreement), or by affirmative act consent to the creation or existence of any security interest or other lien in or on the Lease or any part thereof;

(g) the Debtor will not, and will not permit or cause the Agent to, receive or collect any rental payment under the Lease in respect of any of the Units prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other

than to the Secured Party hereunder and to the Agent under the Management Agreement) any rent payment then due or to accrue in the future under the Lease in respect of any of the Units;

(h) the Debtor will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges lawfully imposed upon or against the Collateral or any part thereof, and will not suffer to exist any mechanics', laborers', statutory or other lien on the Collateral or any part thereof; provided, however, that nothing herein contained shall be deemed to require the Debtor to pay any tax, assessment, charge or lien, or any claim or demand of mechanics, laborers or others, prior to the due date thereof, or to require the Debtor to pay or discharge any tax, assessment, lien, claim or charge (whether or not due or delinquent) the validity or amount of which is being contested in good faith by appropriate proceedings and which has been adequately reserved against; provided, however, that the Debtor will pay or discharge such tax, assessments, lien, claim or charge if seizure of the Collateral is imminent;

(i) the Debtor will give the Secured Party prompt written notice of any event or condition constituting

an Event of Default under the Lease if the Debtor has actual knowledge of such event or condition;

(j) the Debtor will at its own expense duly comply with and perform all the covenants and obligations of the Debtor under the Lease and will at its own expense seek to cause the Lessee to comply with and observe all the terms and conditions of the Lease and, without limiting the foregoing, at the request of the Secured Party, the Debtor will at its own expense take such action with respect to the enforcement of the Lease, and the duties and obligations of the Lessee thereunder, as the Secured Party may from time to time direct. Notwithstanding anything to the contrary in this Security Agreement contained, so long as Debtor is not in default hereunder, Debtor shall have the right, without Secured Party's prior consent, to amend, modify and terminate the Lease and to settle, adjust, compound and compromise any claims of the Debtor against the Lessee thereunder;

(k) the Debtor will permit and will cause the Agent to permit Secured Party to examine its books and records with respect to the Collateral during regular business hours upon reasonable notice to the Debtor;

(l) the Debtor shall not change, or permit to be changed, the identifying letters and numbers of the

Units from such identifying letters and numbers set forth in Schedule A hereto, except in accordance with a statement of new numbers to be substituted therefor which previously shall have been delivered to the Secured Party and which shall be filed and recorded by the Debtor in like manner as this Agreement; and

(m) the Debtor shall not lease the Units, or permit the Units to be leased, to any companies, or pursuant to any lease of equipment, other than the companies and the Lease set forth in Schedule B hereto, except in accordance with a statement of new company or lease of equipment, as appropriate, which previously shall have been delivered to the Secured Party and which shall be filed and recorded by the Debtor in like manner as this Agreement.

ARTICLE THREE

Application of Proceeds of Certain Prepayments

Without regard to whether an Event of Default under Article IV hereof has occurred and is continuing, the Debtor agrees that it will pay over to Secured Party all moneys ("settlement moneys") paid to it pursuant to the Lease as settlement for the loss, theft, destruction or damage beyond

economical repair of any Unit or Units leased thereunder. The Secured Party shall apply each payment of settlement moneys on the next succeeding date on which interest is payable to the prepayment of principal of the Note. Such prepayment of principal shall be applied in inverse order of principal installments coming due on the Note. From and after the date hereof the Debtor shall promptly transmit to the Secured Party any notice or information it receives concerning loss, theft, destruction or damage beyond economical repair to Units covered by the Lease requiring settlement payment under the Lease. With respect to all Units for which the Secured Party has received settlement moneys paid to the Debtor as required by the Lease, the Secured Party shall execute and deliver to the Debtor, if requested, at Debtor's expense, a release of the lien of this Security Agreement with respect to such Unit or Units.

ARTICLE FOUR

Events of Default; Remedies

SECTION 4.01. Events of Default. The happening of any of the following events (hereinafter called Events of Default) shall constitute a default hereunder:

- (a) default shall be made in the payment of principal of, or interest on, the Note when and as the same

shall become due and payable, whether at the stated date for the payment thereof, by acceleration or by notice of prepayment or otherwise;

(b) any representation or warranty made herein or in any certificate delivered in connection herewith shall prove to be false or misleading in any material respect;

(c) default shall be made in the due observance or performance of any covenant or agreement to be observed or performed by the Debtor pursuant to the terms hereof;

(d) final judgment for the payment of money in excess of an aggregate of \$25,000 shall be rendered against the Debtor and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed;

(e) the Debtor shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of any of his property, (ii) admit in writing his inability to pay his debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or (v) file a voluntary petition in bankruptcy, or a petition or an

interest. In the event that, after applying all such sums of money realized by the Secured Party as aforesaid, there shall remain any amount due to the Secured Party under the provisions hereof, the Debtor agrees to pay the amount of such deficit to the Secured Party. In the event that, after applying all such sums of money realized by the Secured Party as aforesaid, there shall remain a surplus in the possession of the Secured Party, such surplus shall be paid to the Debtor.

SECTION 4.04. Obligations Not Affected by Remedies.

No retaking of possession of the Units by the Secured Party, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Debtor or in respect of the Collateral or any part thereof on the part of the Secured Party, nor any delay or indulgence granted to the Debtor by the Secured Party, shall affect the obligations of the Debtor hereunder or under the Note.

SECTION 4.05. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of the Secured Party shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory

requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Debtor.

ARTICLE FIVE

Events of Termination

In the event that any Unit shall cease to be subject to the Lease from any cause whatsoever (other than as provided in Article III hereof) for a period greater than 30 consecutive days (hereinafter called an Event of Termination), the Debtor shall, within 30 days after receipt of notice of such Event of Termination, deposit with the Secured Party an amount equal to the Termination Value (as hereinafter defined) of such Unit. The Termination Value of a Unit shall mean the amount which bears the same ratio to the original purchase price of such Unit (including the portion of such purchase price paid with proceeds of the Loan) as the principal amount of the Note which is outstanding on the date such deposit is made (without giving effect to any prepayment then or theretofore made) bears to the original principal amount of the Note. Any amounts so received by the Secured Party shall be applied as required as in the case of a prepayment under Article III hereof.

ARTICLE SIX

Application of Rentals and
Certain Other Amounts

SECTION 6.01. Application of Rentals. The amounts from time to time received by the Secured Party which constitute payment of rentals under the Lease shall be applied in the following order of priority, (a) to the payment of the installments of principal of and interest on the Note which have matured on or prior to the date such rentals are received by the Secured Party and (b) the balance, if any, of such rentals shall be paid to or upon the order of the Debtor not later than the first business day following the receipt thereof.

SECTION 6.02. Insurance Proceeds. Any amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained in respect of the Units shall be held by the Secured Party as part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(a) so long as no Event of Default has occurred and is continuing, the proceeds of such insurance shall, if the Unit is to be repaired, be released to the Agent in reimbursement for expenditures made for

such repair, upon receipt by the Secured Party of a certificate of an authorized officer of the Agent to the effect that any damage to such Unit in respect of which such proceeds were paid has been fully repaired; and

(b) if the insurance proceeds shall not have been released pursuant to the preceding subsection (a) within 180 days from the receipt thereof by the Secured Party, such insurance proceeds shall be applied by the Secured Party (i) first, to prepay the Note and (ii) second, the balance, if any, shall be released to or upon the order of the Debtor on the date of such prepayment of the Note.

ARTICLE SEVEN

Miscellaneous

SECTION 7.01. Power of Attorney. The Debtor hereby constitutes and appoints the Secured Party the attorney-in-fact of the Debtor with full power of substitution for the purposes of carrying out the provisions of this Agreement and in its name, place and stead to ask, demand, collect, receive, sue for and give acquittance for any and all rents, income and other sums which are assigned hereunder with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do,

and in the discretion of the Secured Party to file any claim or take any other action, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

SECTION 7.02. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All warranties, covenants and agreements by or on behalf of the Debtor which are contained in this Agreement and the Note shall bind and inure to the benefit of the respective successors and assigns of the Secured Party.

SECTION 7.03. Modification, Amendment or Waiver. No modification, amendment or waiver of any provision of this Agreement, or consent to any departure by the Debtor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Secured Party. No notice to or demand on the Debtor in any case shall entitle it to any other or further notice or demand in the same, similar or other circumstances. Neither any failure nor any delay on the part of the Secured Party in exercising any

right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

SECTION 7.04. Severability. In the event any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

SECTION 7.05. Notices. All demands, notices and communications hereunder shall be in writing and shall conclusively be deemed to have been received by a party hereto and to be effective on the day on which delivered to such party at its address set forth below (or at such other address as such party shall specify to the other party by a notice in accordance with the terms hereof), or, if sent by registered mail, on the third business day after the date on which mailed, addressed to such party at such address:

(a) if to the Debtor, at his address set forth next to his signature at the foot of this Agreement;
and

(b) if to the Secured Party, at its address

at 155 Bovet Road, San Mateo, California, 94402,
Attention of Robert G. Sizemore.

SECTION 7.06. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 7.07. Applicable Law. This Security Agreement has been executed and delivered in the State of California and the validity and enforceability hereof shall be governed by the laws of such State.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement, on the day and year first above written.

DEBTOR: Morris E. Jorgenson
Morris E. Jorgenson
Jenise M. Jorgenson
Jenise M. Jorgenson
Name (Please Print):
Address:
40 Acacia Dr.
Orinda, Ca. 94563
CHEMLEASE, INC.,

by

HJ Schneider
Vice President
Credit Officer

(Corporate Seal)

Attest:

Jerry B. Kent
Assistant Secretary

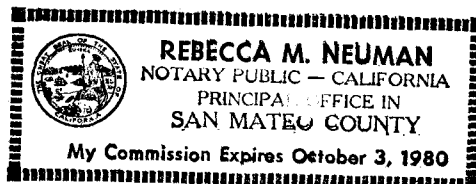
STATE OF *California*,)
COUNTY OF *San Mateo*,) SS.:

Credit Officer
On this *28th* day of *December* 1978, before me personally appeared *Henry Jacob Schneider*, to me personally known, who, being by me duly sworn, says that he is a ~~Vice President of *Chambase, Inc.*~~ that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Rebecca M. Neuman
Notary Public

My Commission expires:

[Notarial Seal]



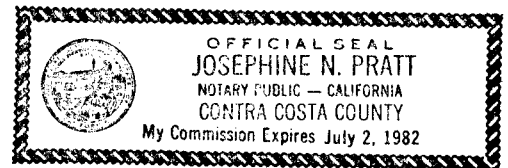
STATE OF CALIFORNIA ,)
) ss.:
COUNTY OF CONTRA COSTA,)

On this 26TH day of DECEMBER 1978, before me personally appeared MORRIS E. JORGENSEN AND JENOISE M. JORGENSEN, to me personally known to be the persons described in and who executed the foregoing instrument and ^{THEY} acknowledged that ~~he~~ ^{THEY} executed the same as ~~his~~ ^{THEIR} own free act and deed.

Josephine N. Pratt
Notary Public

My Commission expires: 7/2/82

[Notarial Seal]



STATE OF CALIFORNIA

County of Contra Costa } ss.
County in which acknowledgement is taken

On December 26, 1978, before me, the undersigned
Write or type name of notary

a Notary Public, in and for said** County and State, personally appeared

Morris E. Jorgenson and Jenoise M. Jorgenson

known to me to be the person s whose name s are subscribed to the within instrument, and acknowledged to me that they executed the same.

**If notary is commissioned in another County strike "said" and name County.

(Individual)



Josephine N. Pratt
In addition to signature type or print name of notary
Notary Public

SCHEDULE A

Number of Units

5

Road Numbers

PLMX- 10819
10823
10824
10825
10897

Trust Equipment Description

100-ton, 4,750-cubic foot
capacity, truck gravity
discharge covered hopper
cars

SCHEDULE B

<u>Lessee</u>	<u>Date of Lease Agreement with PLM Railcar Management, Inc., as Agent for Lessors</u>
Burlington Northern, Inc.	August 1, 1978
Tidewater Grain Company	August 1, 1978
Louis Dreyfus Corporation	September 15, 1978
Lincoln Grain, Inc.	April 15, 1978